

MONTREAL
411 Recollets Street
Victor 5-6108

FIN

COUNSEL

TORONTO
25 Melinda Street
EMpire 8-1674

FEB 19 1964
Press Article Authorized by:

The B. Greening Wire
Hamilton, Ontario.

*It is with deep regret
that we announce
the death of
Mr. H. B. Greening,
esteemed Chairman of
The Board of Directors of
The B. Greening Wire
Company, Limited
on February 25, 1960.*

● FOR RELEASE

12 NOON
MONDAY, MARCH 21, 1960.

The B. GREENING WIRE

Company, Limited


AR32



FINANCIAL STATEMENT

For the year ended December 31st
1959

100th Anniversary



Digitized by the Internet Archive
in 2023 with funding from
University of Alberta Library

https://archive.org/details/BGre1713_0000

The B. GREENING WIRE

Company, Limited

HAMILTON

CANADA



FINANCIAL STATEMENT

For the year ended December 31st

1959

HEAD OFFICE

55 QUEEN STREET NORTH
HAMILTON, ONTARIO

PLANTS

HAMILTON, ONTARIO
ORANGEVILLE, ONTARIO
MIDLAND, ONTARIO

BRANCH OFFICES AND WAREHOUSES

180 ST. PAUL STREET WEST
MONTREAL, QUEBEC
603 NORTHERN HARDWARE BUILDING
EDMONTON, ALBERTA

SALES OFFICE

234 SLATER STREET
OTTAWA, ONTARIO

Directors

H. P. FRID

H. G. HILTON

H. B. GREENING

N. F. JEFFERSON

S. O. GREENING

J. L. MAW

ALAN V. YOUNG

Officers

H. B. GREENING, *Chairman of the Board of Directors*

S. O. GREENING, *President*

J. L. MAW, *Vice-President and General Manager*

N. F. JEFFERSON, *Vice-President and Treasurer*

A. M. DOUDA, *Secretary*

Auditors

PEAT, MARWICK, MITCHELL & CO.

Bankers

THE CANADIAN BANK OF COMMERCE

Transfer Agents

NATIONAL TRUST CO. LTD.

Registrars

TORONTO GENERAL TRUSTS CORPORATION

To The Shareholders

Your Directors respectfully submit the Balance Sheet and Statement of Income and Earnings Retained and in Use in the Business, as of December 31st, 1959, duly certified by your Auditors, Messrs. Peat, Marwick, Mitchell & Co. This Report covers the first 12-month period since the change in the end of the Company's fiscal year from June 30th to December 31st, and for this reason comparative figures are shown on the Balance Sheet only.

During the year, the sum of \$27,705 has been added to Earnings Retained and in Use in the Business, after providing for all operating expenses, full and proper maintenance charges, four quarterly dividends amounting to \$114,000, depreciation of \$219,824, and estimated Federal and Provincial taxes of \$140,250.

The cost of additions to productive machinery and equipment in the last five fiscal years of your Company is in excess of \$1,000,000, including over \$300,000 in 1959. Having regard to this and to the fact that machinery and equipment still in use and purchased prior to 1955 is heavily, and in some cases fully depreciated, it was considered that the rate of depreciation used in the past on these assets was excessive. Accordingly, a lower rate has been used in 1959 and will be in subsequent years, to give a more realistic charge for the use of such assets. This action has been approved by the Auditors, and is referred to in their report.

During the year 1959 several significant events occurred, the most important among them being the issuing, on December 31st, 1959, of First Mortgage Bonds in the amount of \$1,750,000. The monies accruing to the Company from this sale have been earmarked by your Directors for three principal uses: (i) The acquisition of new equipment and the construction of new plants, (ii) The refunding of the remaining \$225,000 of the previous Bond Issue, and (iii) The addition of new working capital to handle an expanding volume of business.

This period also marked the 100th Anniversary of the founding of your Company by Benjamin Greening in 1859, and to commemorate this happy event, an attractive booklet, "Oh Christopher", was published and distributed to shareholders, customers and friends of the Firm. It is pleasing to report to you that letters from all over the world have been received congratulating your Company on its Anniversary and its accomplishments, and it is gratifying to realize that your Company is so well-known and respected.

In Midland, Ontario, the building for a new Wire Rope Plant has been completed. Part of the equipment is being supplied from your Hamilton Works, and the balance, to expand our facilities, is on order and will be delivered during the Spring of 1960. It is expected that this plant will be fully operational by the end of October 1960.

Property has been acquired in New Hamburg with the intention of erecting a wire weaving plant during 1961.

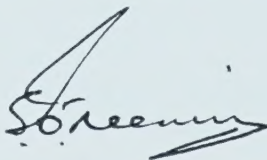
The Orangeville Works, the original unit of your Company's decentralization programme, has shown very satisfactory results during the past year.

Business conditions in the year 1959 were reflected generally in your Company's sales, which increased approximately 2½% over those in 1958. Unfortunately, earnings failed to keep pace with sales. The inability to recover increasing costs by raising prices continues to present a severe problem. Imports from abroad which affect your Company's operations and earnings continue to be of major concern. Your Company is taking all steps possible to further reduce its costs and increase its sales volume. Several products hitherto not manufactured by your Company are now in production, and the search continues for other new lines which may be manufactured or sold on a jobbing basis.

Your Directors accepted with regret the resignation, in December, of Mr. H. B. Greening as President of your Company, a position he held for nearly fifty years. At the same time, he was elected Chairman of the Board of Directors, and was succeeded as President by Mr. S. O. Greening. Mr. J. L. Maw has been appointed Senior Vice-President and General Manager of your Company, and your Treasurer, Mr. N. F. Jefferson, was elected a Vice-President.

Your Directors record with appreciation the continued loyal support of all the Company's employees in Hamilton, Orangeville and Midland.

Submitted on behalf of the Board.



Hamilton, Ontario,
February 22, 1960.

President.

THE B. GREENING W

Balan

Decemb

Assets

	<u>1959</u>	<u>1958</u>
Current assets:		
Cash.....	\$ 422,996	\$ 5,112
Accounts receivable, less allowance for doubtful accounts..	853,353	639,066
Inventories at the lower of cost or market value.....	2,510,663	2,382,779
Prepaid expenses.....	21,083	27,361
Total current assets.....	3,808,095	3,054,318
Fixed assets (notes 1 and 2):		
Buildings, machinery and equipment.....	\$6,246,901	
Less accumulated depreciation.....	3,889,684	
	<u>2,357,217</u>	
Land.....	<u>157,997</u>	<u>2,515,214</u>
		1,866,756
Patents at cost, less amounts written off.....	1	1
Approved on behalf of the Board:		
S. O. GREENING, <i>Director</i> .		
J. L. MAW, <i>Director</i> .		
	<u>\$6,323,310</u>	<u>\$4,921,075</u>

Notes:

1. As valued by Canadian Appraisal Co., Limited, July 25, 1923, with subsequent additions (net) at cost.
2. The rate used in determining depreciation on machinery and equipment for 1959 was reduced from the maximum rate allowable for income tax purposes, used in prior years, which was considered excessive due to the nature and estimated useful life of those assets. As a result the depreciation provided in 1959 is approximately \$70,000 less than it would have been had the maximum rate been used.
3. The income taxes payable for the year amount to \$105,500. The difference of \$34,750 between this and taxes charged against income results from claiming for tax purposes an amount greater than the depreciation recorded in the accounts. This difference is applicable to those future years in which the amounts claimed for tax purposes will be less than the depreciation recorded in the accounts and is accordingly included in the balance sheet under the caption "Tax reduction applicable to future years."
4. The Deed of Trust and Mortgage securing the 5½% Serial bonds contains provisions restricting distributions, including the payment of cash dividends, unless certain requirements are met as to earnings retained and in use in the business and working capital. At December 31, 1959 the amount of earnings retained and in use in the business not so restricted was \$262,751.
5. Commitments for capital expenditure at December 31, 1959 amounted to approximately \$330,000.

E COMPANY, LIMITED

Sheet

, 1959

Liabilities

	<u>1959</u>	<u>1958</u>
Current liabilities:		
Bank overdraft.....	\$ —	\$ 61,218
Accounts payable and accrued expenses.....	409,673	410,991
Dividend payable January 2, 1960.....	28,500	28,500
Income taxes payable.....	37,636	85,320
First mortgage bonds maturing September 1, 1959.....	—	75,000
Total current liabilities.....	475,809	661,029
Tax reduction applicable to future years (note 3).....	34,750	—
First mortgage 3% bonds, redeemed in 1959.....	—	225,000
5½% Serial bonds maturing in semi-annual instalments of \$50,000 in the years 1961 to 1965 inclusive and \$62,500 thereafter to 1975.....	1,750,000	—
Shareholders' equity:		
Capital stock:		
Authorized 750,000 common shares of no par value; issued 570,000 shares.....	1,300,000	1,300,000
Reserve for contingencies.....	250,000	—
Reserve for possible decline in inventory values and for contingencies in connection with accounts receivable	—	250,000
Earnings retained and in use in the business (note 4).....	2,512,751	2,485,046
Total shareholders' equity.....	4,062,751	4,035,046
	<u>\$6,323,310</u>	<u>\$4,921,075</u>

Auditors' Report to the Shareholders

We have examined the balance sheet of The B. Greening Wire Company, Limited as of December 31, 1959 and the statements of income and earnings retained and in use in the business for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statements of income and earnings retained and in use in the business are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at December 31, 1959 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the reduction in depreciation provided and the deferment of income taxes (both of which we approve), referred to in notes 2 and 3 to the balance sheet.

Hamilton, Ontario
February 5, 1960.

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants

The B. Greening Wire Company, Limited

Statement of Income and Earnings Retained and in Use in the Business

Year ended December 31, 1959

Net income for the year after deducting all expenses of manufacturing, selling and administration, interest on bonds and taxes on income.....	\$ 141,705
Earnings retained and in use in the business at December 31, 1958.....	2,485,046
	<u>2,626,751</u>

Deduct dividends declared.....	114,000
Earnings retained and in use in the business at December 31, 1959.....	<u>\$2,512,751</u>

The following amounts have been charged before determining net income for the year:

Depreciation.....	\$ 219,824
Directors' fees.....	3,485
Legal expenses.....	5,140
Remuneration of executive officers.....	96,174
Interest on bonds.....	8,501
Taxes on income.....	140,250

See accompanying notes to balance sheet.

Source and Application of Working Capital

Year ended December 31, 1959

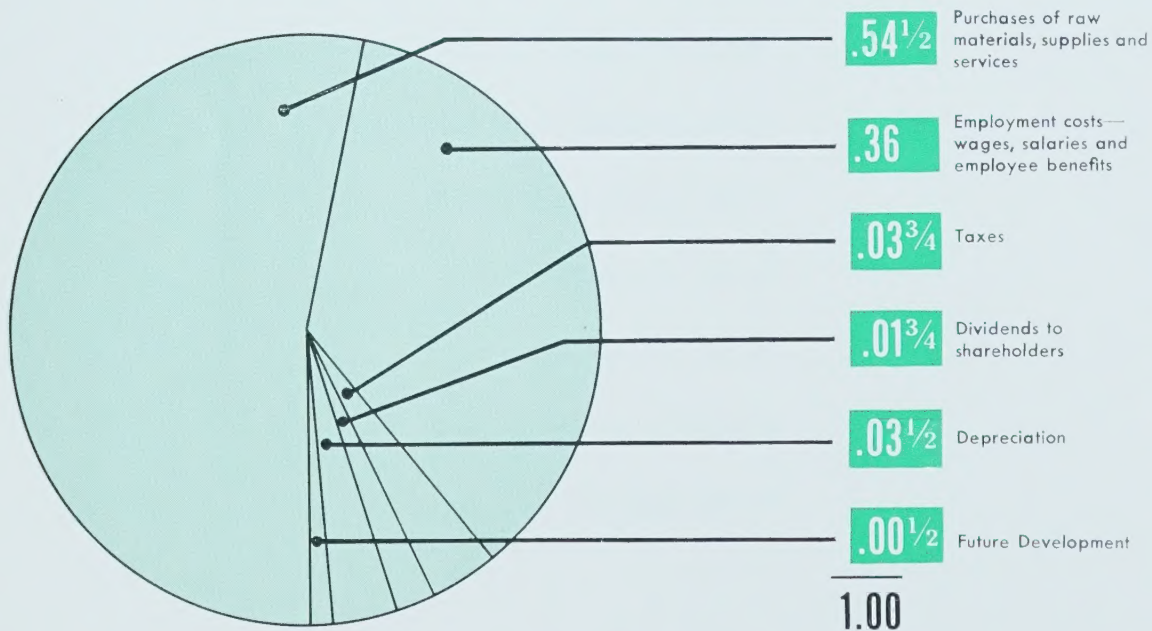
Source of working capital:

From operations.....		\$ 141,705
Expenses (net) not involving the outlay of funds:		
Depreciation.....	\$219,824	
Tax reduction applicable to future years.....	34,750	
	<u>254,574</u>	
Less expenses of previous year transferred to fixed assets, net	5,754	248,820
	<u> </u>	
From sale of 5½% Serial bonds.....		1,750,000
From sale of fixed assets.....		11,470
		<u>2,151,995</u>

Working capital applied:

To acquire fixed assets.....	873,998	
To retire 3% first mortgage bonds.....	225,000	
To payment of dividends.....	114,000	1,212,998
	<u> </u>	
Increase in working capital.....		<u>\$ 938,997</u>

How our Sales Dollar was used



YOUR COMPANY'S PRODUCTS

WIRE

WIRE ROPE

ANIMAL PENS

WIRE BASKETS

PERFORATED METALS

INSECT SCREEN CLOTH

“WIRE-WALL” PARTITIONS

MATERIAL HANDLING CONTAINERS

GALVANIZED HEXAGON NETTING

“KLEENWIRE” CLOTHESLINE

GALVANIZED CLOTHESLINE

PORTABLE SHELVING

WIRE SCREENS

WIRE GUARDS

WELDED MESH

WIRE CLOTH



PRINTED IN CANADA BY
THE SOUTHAM PRINTING COMPANY LIMITED
TORONTO DIVISION

file

**The B. GREENING WIRE
Company, Limited**
HAMILTON CANADA



**FINANCIAL
STATEMENT**

For the year ended December 31st

1960

APR 12 1961

Directors

C. W. CASSELS
H. P. FRID
S. O. GREENING

H. G. HILTON
N. F. JEFFERSON
J. L. MAW

ALAN V. YOUNG

Officers

S. O. GREENING, *President*

J. L. MAW, *Vice-President and General Manager*

N. F. JEFFERSON, *Vice-President and Treasurer*

A. M. DOUDA, *Secretary*

Auditors

PEAT, MARWICK, MITCHELL & CO.

Bankers

THE CANADIAN BANK OF COMMERCE

Transfer Agents

NATIONAL TRUST CO. LTD.

Registrars

TORONTO GENERAL TRUSTS CORPORATION

HEAD OFFICE

55 QUEEN STREET NORTH
HAMILTON, ONTARIO

PLANTS

HAMILTON, ONTARIO
ORANGEVILLE, ONTARIO
MIDLAND, ONTARIO

BRANCH OFFICES AND WAREHOUSES

180 ST. PAUL STREET WEST
MONTREAL, QUEBEC
14608 115th AVENUE
EDMONTON, ALBERTA

SALES OFFICE

234 SLATER STREET
OTTAWA, ONTARIO

To The Shareholders

Your Directors respectfully submit the Balance Sheet and Statement of Income and Earnings Retained and in Use in the Business, as of December 31, 1960, duly certified by your Auditors, Messrs. Peat, Marwick, Mitchell & Co.

After providing for all operating expenses, full and proper maintenance charges, three quarterly dividends amounting to \$85,500, depreciation of \$248,512, and taking advantage of reclaiming taxes on income paid during the previous year, Earnings Retained and in Use in the Business have been reduced by \$35,128.

The past year has been one of very heavy expenditures and unusual organizational disruption, with the result that, as regards earnings, your Company has had the poorest experience in over twenty-five years.

In view of developments during the latter half of 1960, your Directors deemed it advisable not to declare the usual quarterly dividend payable January 2nd, 1961.

The main reasons responsible for the poor showing in 1960 were:

1. The actual cost of starting up the new Wire Rope Plant at Midland, Ontario, exceeded estimates by a considerable amount.
2. The disruption of production during the moving period, which was practically the whole of 1960, was greater than anticipated.
3. Under the seniority clauses in our labour contract in Hamilton, it was necessary to relocate employees from our Rope Department in other departments, resulting in a further dislocation of staff. These changes resulted in increased training costs and in the production of an excessive amount of second-grade material in lines other than Wire Rope.
4. Foreign competition kept prices of several important products below the break-even point.

The expenses mentioned in items 1, 2 and 3 above are non-recurring, and, therefore, future results should show an improvement. The balance of the actual cost of moving the equipment from Hamilton to Midland during 1960 shows up in the Balance Sheet as a deferred expense to be written off during the next four years.

The new plant in Midland is now in full operation with a staff of seventy. Owing to the fact, however, that it takes a considerable time to completely train new operators, all of the anticipated savings will not be realized by your Company during the coming year.

The erection of the plant in Orangeville a few years ago, and the one in Midland during the past year, has added slightly over 100,000 square feet of floor space. It is now proposed to raze some of the obsolete buildings in Hamilton which were built over 80 years ago, and which have outlived their usefulness. This will be accomplished as soon as possible and will result in considerable savings.

Although "cost reduction" forms a continuing part of your Company's policies, an intensified programme has been undertaken to cope with present conditions. This, so far, has resulted in the elimination of many items of expense, and the reduction to a minimum of both the labour force and supervisory staff.

Sales of some of your Company's products were maintained during 1960 at the expense of profit in order to hold customers for future years. Actually, sales were slightly higher in 1960 than in 1959, although for the last six months a decline was registered.

Sales of one of our main lines, Steel Insect Screening, have declined 66% over the past year, due principally to competition from Japan, imports from which country now amount to approximately 75% of the total Canadian market.

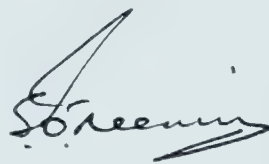
Total imports of Wire Rope amount to approximately 20% of the Canadian market, which naturally reduces your Company's share correspondingly.

In this connection, considerable effort has been spent endeavouring to secure some relief in the form of import quotas to be imposed against certain Asiatic countries. Thus far, presentations and arguments have failed to convince the Federal Government that some segments of Canadian secondary industry, such as your Company, are in need of such assistance as will enable them to cope with this unequal competition which cannot possibly be met with Canadian labour rates and Canadian volume.

The death of our late Chairman, Mr. H. B. Greening, created a vacancy on the Board of Directors. Mr. C. W. Cassels, President of Slater Industries Limited, Hamilton, Ontario, accepted an appointment by your Directors. His wide experience in manufacturing will be of great benefit and strength to your Board.

The past year has been difficult and upsetting for the employees of your Company. A greater burden has been placed upon those remaining, and on behalf of the Board, I wish to express our sincere appreciation of their continuing loyalty.

Submitted on behalf of the Board.



Hamilton, Ontario.
February 27th, 1961.

President.

THE B. GREENING W

Balan

December

Assets

	<u>1960</u>	<u>1959</u>
Current assets:		
Cash.....	\$ 3,321	\$ 422,996
Accounts receivable, less allowance for doubtful accounts....	743,585	853,353
Inventories at the lower of cost or market value.....	2,557,858	2,510,663
Prepaid expenses.....	15,536	21,083
Income taxes recoverable.....	84,457	—
Total current assets.....	3,404,757	3,808,095
Fixed assets (note 1):		
Buildings, machinery and equipment.....	\$6,690,033	
Less accumulated depreciation.....	4,130,345	
	2,559,688	
Land.....	157,997	2,717,685
	<u>2,717,685</u>	2,515,214
Patents at cost, less amounts written off.....	1	1
Deferred moving expenses.....	44,215	—
Approved on behalf of the Board:		
S. O. GREENING, <i>Director</i> .		
J. L. MAW, <i>Director</i> .		
	<u>\$6,166,658</u>	<u>\$6,323,310</u>

Notes:

1. As valued by Canadian Appraisal Co., Limited, July 25, 1923, with subsequent additions (net) at cost.
2. The recovery of income taxes in 1960 is due to the application of the loss of that year, for tax purposes, against the income of the previous year. The loss so applied includes the claiming of depreciation and moving expenses of \$117,655 in excess of the amounts recorded in the accounts, with a resultant tax saving of \$61,180. In 1959 the tax saving resulting from claiming such additional amounts was included in the balance sheet under the caption "Tax reductions applicable to future years."
3. The Deed of Trust and Mortgage securing the 5½% Serial bonds contains provisions restricting distributions, including the payment of cash dividends, unless certain requirements are met as to earnings retained and in use in the business and working capital. At December 31, 1960 the amount of earnings retained and in use in the business not so restricted was \$227,623.

E COMPANY, LIMITED

Sheet

1, 1960

Liabilities

	<u>1960</u>	<u>1959</u>
Current liabilities:		
Bank overdraft.....	\$ 96,149	\$ —
Accounts payable and accrued expenses.....	258,136	409,673
Dividend payable.....	—	28,500
Income taxes payable.....	—	37,636
5½% Serial bonds maturing in 1961.....	100,000	—
Total current liabilities.....	454,285	475,809
Tax reduction applicable to future years (note 2).....	34,750	34,750
5½% Serial bonds maturing in semi-annual instalments of \$50,000 in the years 1962 to 1965 inclusive and \$62,500 thereafter to 1975.....	1,650,000	1,750,000
Shareholders' equity:		
Capital stock:		
Authorized 750,000 common shares of no par value; issued 570,000 shares.....	1,300,000	1,300,000
Reserve for contingencies.....	250,000	250,000
Earnings retained and in use in the business at end of year..	2,477,623	2,512,751
	<u>\$6,166,658</u>	<u>\$6,323,310</u>

Auditors' Report to the Shareholders

We have examined the balance sheet of The B. Greening Wire Company, Limited as of December 31, 1960 and the statement of income and earnings retained and in use in the business for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statement of income and earnings retained and in use in the business are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company at December 31, 1960 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the treatment of the recovery of income taxes, referred to in note 2 to the balance sheet.

Hamilton, Ontario
February 27, 1961.

PEAT, MARWICK, MITCHELL & CO
Chartered Accountants

The B. Greening Wire Company, Limited

Statement of Income and Earnings Retained and in Use in the Business

Year ended December 31, 1960

	<u>1960</u>	<u>1959</u>
Net income before providing for the following items:	\$ 401,151	\$ 615,079
Depreciation.....	248,512	219,824
Directors' fees.....	1,200	3,485
Legal expenses.....	1,158	5,140
Remuneration of executive officers.....	70,869	96,174
Interest on bonds.....	95,986	8,501
	<u>417,725</u>	<u>333,124</u>
Net income (loss) before taxes on income.....	(16,574)	281,955
Taxes on income (recovery of taxes on income) (note 2).....	(66,946)	140,250
Net income.....	<u>50,372</u>	<u>141,705</u>
Earnings retained and in use in the business at beginning of year.....	2,512,751	2,485,046
	<u>2,563,123</u>	<u>2,626,751</u>
Deduct dividends declared.....	85,500	114,000
Earnings retained and in use in the business at end of year.....	<u>\$2,477,623</u>	<u>\$2,512,751</u>

See accompanying notes to balance sheet.

Source and Application of Working Capital

Year ended December 31, 1960

Source of working capital:

From net income.....	\$ 50,372
Add depreciation, an expense not involving the outlay of funds....	248,512
	<hr/> 298,884
From sale of fixed assets.....	9,224
	<hr/> 308,108

Working capital applied:

To acquire fixed assets.....	\$460,207	
To payment of moving expenses.....	44,215	
To provide for redemption of 5½% Serial bonds maturing in 1961	100,000	
To payment of dividends.....	85,500	689,922
Decrease in working capital.....		<hr/> <u>\$381,814</u>

How our Sales Dollar was used

Purchases of Raw Materials, Supplies & Services	\$.58
Employment Costs—Wages, Salaries & Employee Benefits36
Taxes01
Dividends to 430 Shareholders01
Depreciation04
Future Development	Nil
	<hr/> \$ 1.00

YOUR COMPANY'S PRODUCTS

WIRE

WIRE ROPE

ANIMAL PENS

WIRE BASKETS

PERFORATED METALS

INSECT SCREEN CLOTH

"WIRE-WALL" PARTITIONS

FABRICATED WIRE PRODUCTS

MATERIAL HANDLING CONTAINERS

GALVANIZED HEXAGON NETTING

"KLEENWIRE" CLOTHESLINE

GALVANIZED CLOTHESLINE

PORTABLE SHELVING

WIRE SCREENS

WIRE GUARDS

WELDED MESH

WIRE CLOTH

